

# The South Korean Infrastructure Market

## Key Facts:



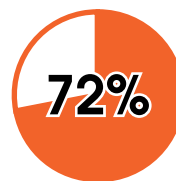
Value of the largest South Korean infrastructure deal, the award of a concession for Guri Pocheon Highway by a consortium of investors including KDB Infrastructure Investments Asset Management Company.



Aggregate assets under management of South Korea-based institutional investors profiled on **Infrastructure Online**.



Number of South Korea-based institutional investors actively investing in the infrastructure asset class.



Proportion of South Korea-based infrastructure investors with over \$10bn in total assets under management.

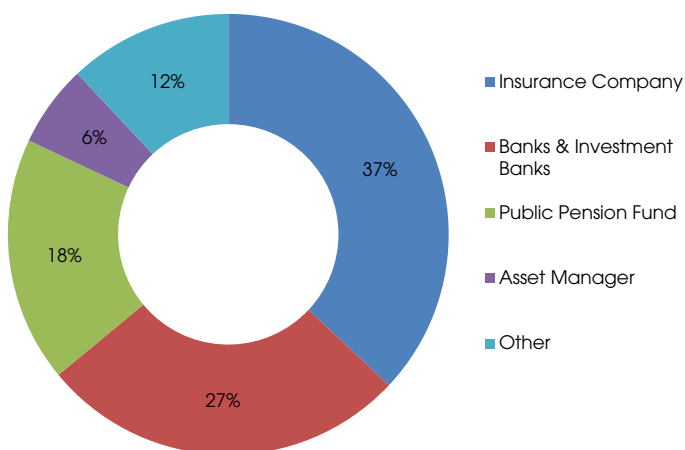
Preqin's **Infrastructure Online** currently tracks 51 South Korea-based institutions that are actively investing in the infrastructure asset class, collectively representing \$2.8tn in total assets. A large proportion of South Korea-based infrastructure investors are insurance companies (37%) and banks or investment banks (27%), with public pension funds (18%) and asset managers (6%) also making up notable proportions of the investor pool (Fig. 1). With 88% of the infrastructure investor population comprising these traditionally large institutions, it is unsurprising that almost three-quarters hold more than \$10bn in assets under management (AUM), as shown in Fig. 2.

Most likely due to their size, South Korea-based investors are more likely to invest directly in the asset class than their peers in the rest of Asia (Fig. 3). However, they also display a far greater propensity to invest in unlisted infrastructure funds than their Asia-based counterparts; 96% of South Korea-based infrastructure investors will invest through unlisted funds, compared with 69% of infrastructure investors in the rest of Asia. Despite more investors

targeting direct investment, only 39% of South Korea-based investors have a separate infrastructure allocation, compared with 53% of institutions in the rest of Asia (Fig. 4). In terms of their geographic preferences, the largest proportion of South Korea-based investors will target unlisted infrastructure funds focused on their domestic region (84%), although many will still target infrastructure markets in North America (57%) or invest in global funds (57%), as illustrated in Fig. 5.

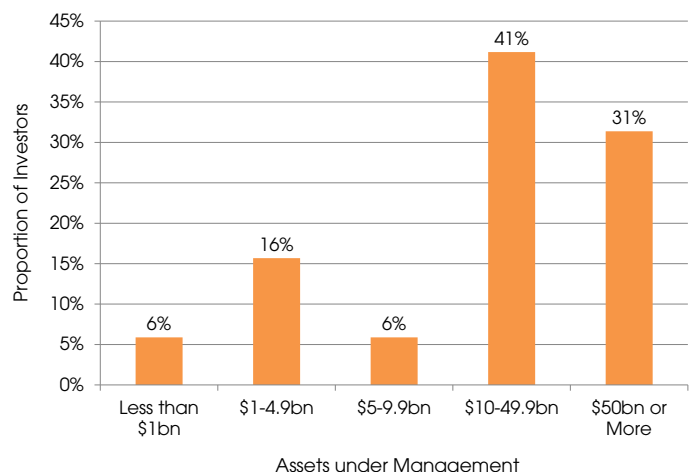
The unlisted infrastructure market focused on South Korea is relatively small; Preqin's **Infrastructure Online** tracks 25 funds that have reached a final close since 2010, raising a combined \$3.2bn, although no vehicles have closed in 2015 so far (Fig. 7). Over three-quarters of funds that have reached a final close have been raised by South Korea-based managers (76%), as shown in Fig. 8. Despite only closing a quarter of South Korea-focused funds, international managers picked up one-third of the aggregate capital raised. This includes the largest unlisted infrastructure fund to close in the period, Macquarie Korea Growth, which is managed

**Fig. 1: Breakdown of South Korea-Based Infrastructure Investors by Type**



Source: Preqin Infrastructure Online

**Fig. 2: Breakdown of South Korea-Based Infrastructure Investors by Assets under Management**

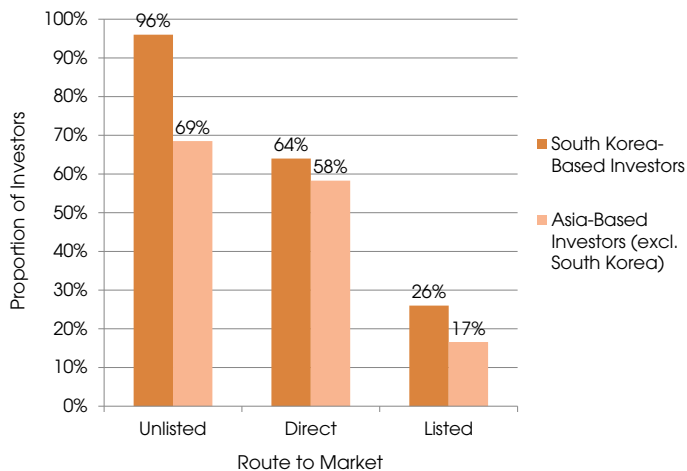


Source: Preqin Infrastructure Online

by UK-headquartered Macquarie Infrastructure and Real Assets (Fig. 9). The fund reached a final close in June 2011 on KRW 550bn and targets assets in transport, energy, clean technology and renewable energy sectors.

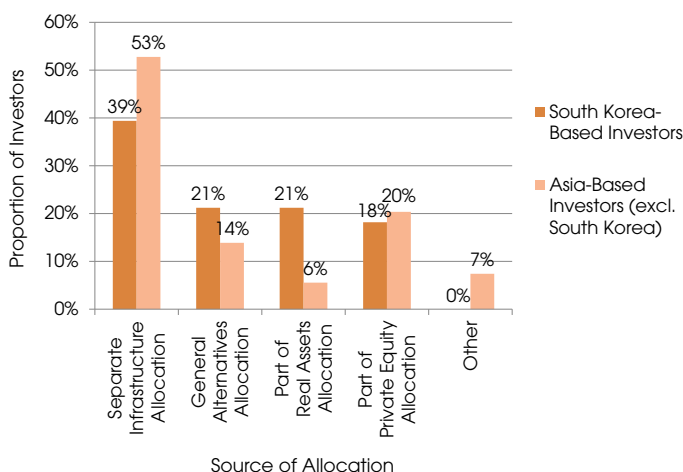
Despite South Korea having the third largest economy in Asia, the South Korean infrastructure deal market represents just 6% of all deals on the continent since 2010. Preqin's **Infrastructure Online** contains comprehensive profiles on the 37 completed infrastructure deals within South Korea since 2010, for a reported aggregate deal value of \$3.9bn. The largest proportions of completed South Korean deals occurred in transport (27%), social (27%) and energy sectors (24%), with a fairly equal split between secondary stage assets (47%) and greenfield projects (44%). The top four completed South Korean deals were all for transport assets, the largest being the KRW 1.7tn concession for Guri Pocheon Highway, a PPP project for the construction of an expressway linking the cities of Guri and Pocheon.

**Fig. 3: Infrastructure Investors by Preferred Route to Market: South Korea-Based Investors vs. Other Asia-Based Investors**



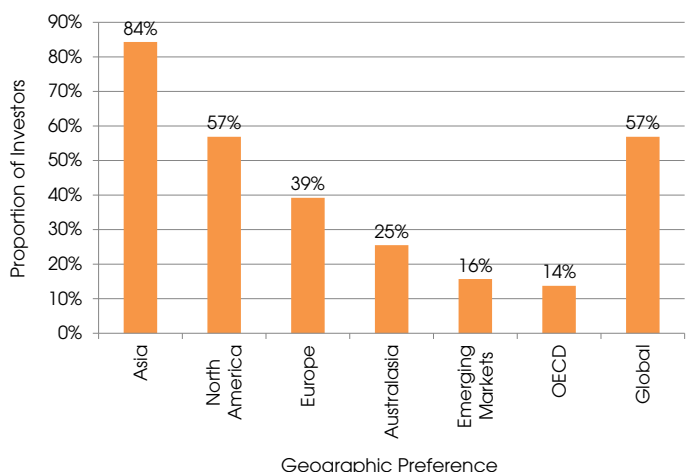
Source: Preqin Infrastructure Online

**Fig. 4: Infrastructure Investors by Source of Allocation: South Korea-Based Investors vs. Other Asia-Based Investors**



Source: Preqin Infrastructure Online

**Fig. 5: Geographic Preferences of South Korea-Based Unlisted Infrastructure Investors**



Source: Preqin Infrastructure Online

**Fig. 6: Sample of South Korea-Based Infrastructure Investors Planning New Commitments in the Next 12 Months**

Investor	Type	Investment Plans in the Next 12 Months
Korea Specialty Contractor Financial Cooperative	Government Agency	Plans to commit \$20mn (KRW 23bn) to one unlisted infrastructure debt fund focused on investments in South Korea, Europe or the US.
Scientists and Engineers Mutual Aid Association	Public Pension Fund	Expects to invest in unlisted infrastructure debt funds in the next 12 months, specifically senior debt funds that are focused on core infrastructure sectors globally.
KDB Life Insurance	Insurance Company	Will make new commitments to South Korea-focused unlisted infrastructure funds with a preference for project-based funds.

Source: Preqin Infrastructure Online

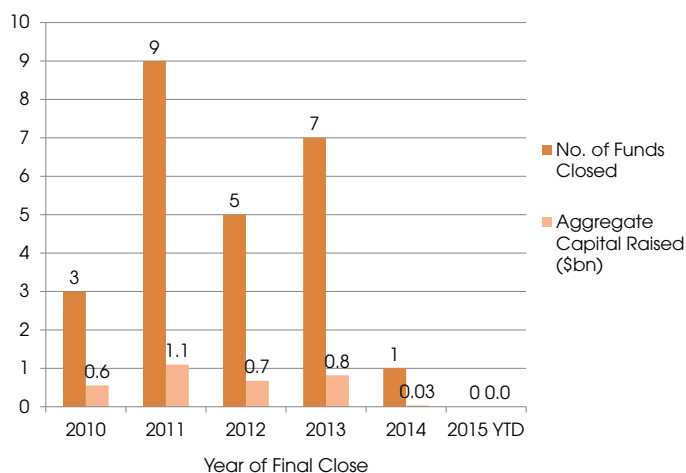
Looking for more information on South Korean infrastructure?

Preqin's **Infrastructure Online** contains extensive information on South Korean infrastructure investment, including details of all fund managers based in the region, funds currently raising and historical fundraising, investors based in the region, deals data and much more.

For more information on how Infrastructure Online can help you, please visit:

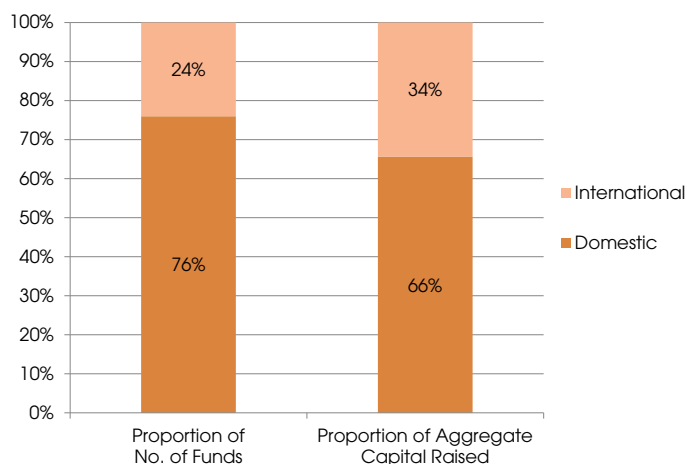
[www.preqin.com/infrastructure](http://www.preqin.com/infrastructure)

**Fig. 7:** Annual South Korea-Focused Unlisted Infrastructure Fundraising, 2010 - 2015 YTD (As at 12 October 2015)



Source: Preqin Infrastructure Online

**Fig. 8:** South Korea-Focused Fundraising: International vs. Domestic Fund Managers, 2010-2015 YTD (As at 12 October 2015)



Source: Preqin Infrastructure Online

**Fig. 9:** 10 Largest South Korea-Focused Unlisted Infrastructure Funds, Funds Closed 2010-2015 YTD (As at 12 October 2015)

Fund	Firm	Final Close Date	Fund Size (mn)	Firm Location
Macquarie Korea Growth Fund	Macquarie Infrastructure and Real Assets (MIRA)	Jun-11	550,000 KRW	UK
KIAMCO BTL Private Fund Special Asset Trust 1	KDB Infrastructure Investments Asset Management Company	Jan-10	500,000 KRW	South Korea
KIAMCO Road Investment Private Fund Special Asset Trust 2	KDB Infrastructure Investments Asset Management Company	Nov-13	446,900 KRW	South Korea
Darby-Hana Gyeonggi Expressway Special Asset Trust Fund	Darby Overseas Investments	Jun-12	375,000 KRW	US
KIAMCO Road Investment Private Fund Special Asset Trust 1	KDB Infrastructure Investments Asset Management Company	Mar-11	223,000 KRW	South Korea
KIAMCO BTL Private Fund Special Asset Trust 3	KDB Infrastructure Investments Asset Management Company	Sep-11	160,000 KRW	South Korea
KIAMCO Plant Private Fund Special Asset Trust 1	KDB Infrastructure Investments Asset Management Company	Jun-12	126,000 KRW	South Korea
KIAMCO Gochang Solar Park Private Fund Special Asset Trust	KDB Infrastructure Investments Asset Management Company	Jun-11	110,000 KRW	South Korea
KIAMCO Seoul Logistics Private Fund Special Asset Trust	KDB Infrastructure Investments Asset Management Company	May-12	120,000 KRW	South Korea
KIAMCO DS Power Private Fund Special Asset Trust	KDB Infrastructure Investments Asset Management Company	Dec-13	100,000 KRW	South Korea

Source: Preqin Infrastructure Online

Visiting South Korea? Make Sure You Connect With the Investors You Should Be Meeting

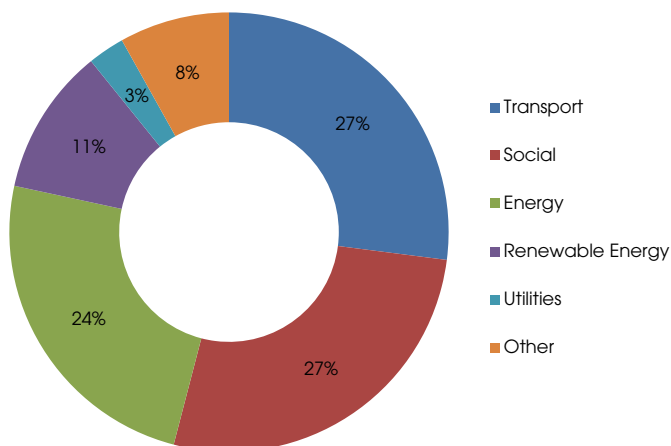
Preqin's **Infrastructure Online** features in-depth profiles for 51 South Korea-based institutional investors active in infrastructure. Detailed profiles include:

- Contact information for key decision makers
- Infrastructure investment preferences
- Current and target allocations
- Exclusive information on future investment plans
- Previous commitments and much more

Register for demo access to find out how Preqin's **Infrastructure Online** can help you fundraise:

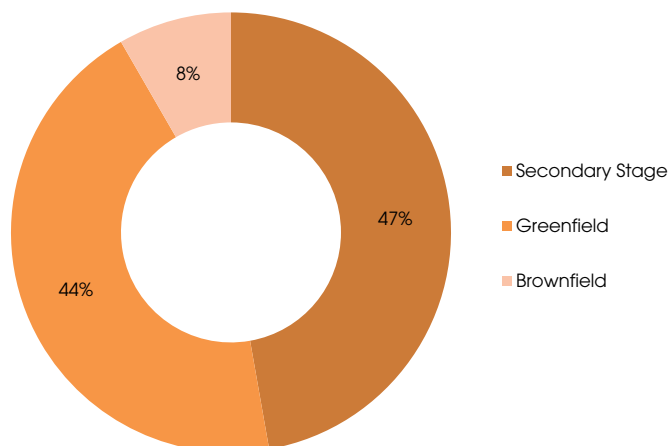
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**Fig. 10:** Breakdown of South Korean Infrastructure Deals by Industry, Deals Completed 2010-2015 YTD (As at 12 October 2015)



Source: Preqin Infrastructure Online

**Fig. 11:** Breakdown of South Korean Infrastructure Deals by Project Stage, Deals Completed 2010-2015 YTD (As at 12 October 2015)



Source: Preqin Infrastructure Online

**Fig. 12:** Largest South Korean Infrastructure Deals Completed in 2010-2015 YTD (As at 12 October 2015)

Asset	Investors	Transaction Date	Industry	Total Deal Size (mn)
Guri Pocheon Highway	KDB Infrastructure Investments Asset Management Company, Unidentified Investor/s	Dec-11	Toll Roads	1,700,000 KRW
Seoul Subway Line 9, Section 1	Hanwha Life Insurance, Heungkuk Life Insurance, Kyobo Life Insurance, Shinhan Bank, Unidentified Investor/s	Oct-13	Railroads	746,400 KRW
Machang Bridge	Darby Overseas Investments	Nov-10	Toll Bridges	315,048 KRW
Gyeonggi Expressway	Darby Overseas Investments, Hanwha Asset Management, Unidentified Investor/s	Sep-12	Toll Roads	290,500 KRW
Pocheon LNG Combined Cycle Power Plant	KDB Infrastructure Investments Asset Management Company	Dec-10	Power Plants	240,000 KRW
Yeong Yang I	Macquarie Infrastructure and Real Assets (MIRA)	Nov-13	Wind Power	151 USD
Daegu 4th Beltway East	Hanwha Life Insurance, Unidentified Investor/s	Jun-12	Toll Roads	123,800 KRW
Gochang Solar Park	KDB Infrastructure Investments Asset Management Company	Jul-11	Solar Power	110,000 KRW
Seoul Dongnam-Gwon Logistics Complex	-	Jan-12	Logistics	120,000 KRW
Busan New Port Phase 2-3	-	Oct-13	Sea Ports	105,000 KRW

Source: Preqin Infrastructure Online

**Data Source:**

Preqin's extensive deals module on **Infrastructure Online** contains information on over 11,600 completed infrastructure transactions.

Detailed profiles include the type of infrastructure asset and location, buyers and sellers, data on the equity invested and the percentage stake acquired. View information on the deal date, structure and duration, as well as debt providers and legal and financial advisors. Plus, access extensive firm profiles with contact information for key decision makers.

For more information, or to arrange a demonstration, please visit:

[www.preqin.com/infrastructure](http://www.preqin.com/infrastructure)